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National
Home Center News®

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Workers complete clean-up job after blaze that killed two customers and two employees, while ravaging entire west wing of Ole's South Pasadena, Calif., store last month. NHCN photo

Four die in Ole's fire; faulty wiring explored

Local fire chief blasts lack of sprinkler system

By Brad Altman
NHCN West Coast editor

SOUTH PASADENA, Calif. — Fire investigators said an "electrical problem" in the ceiling was the likely cause of a fire that swept through a portion of a 42,000-sq.-ft. Ole's Home Center outlet here, killing four persons.

All four victims—two employees and two customers—apparently died of smoke inhalation and burns, the Los Angeles County Coroner's office said. The victims had been reported missing immediately after the fast-moving fire struck shortly after 8 p.m. on Wednesday, Oct. 10, but their bodies were not discovered in the rubble until the following afternoon.

Darryl Bradley, Ole's loss prevention manager, said the fire started in an area "between the housewares department and the lighting cloud" in the west wing of the building. "The ceiling portion of that area was almost totally engulfed in about 15 seconds," Bradley said.

South Pasadena Fire Chief Gene Murry told *NHCN* "there was so much destruction" that the exact cause of the electrical problem—apparently in wiring—may never be determined. The fire smoldered for an unknown period in the confined attic space before reaching its explosive-like flashpoint, which propelled the flames from the attic into the store itself. Approximately 18 to 20 employees and 10 to 20 customers were in the store at the time.

The east wing of the building, separated from the destroyed west wing by two fire doors and a concrete dividing wall, suffered only smoke and water damage. The building was acquired by Ole's in 1981. The west wing was formerly a drug store and the east wing a supermarket. The ravaged west wing represented about 40% of the sales floor.

Fire officials said damages

(Continued on page 50)

K mart's Builders Square assaults Chicago market

First 3 of 35 stores debut

By John Caulfield
NHCN senior editor

CHICAGO — While shopping the new Builders Square unit in suburban Oak Lawn, a local resident, James White, put down the paint roller tray he was perusing long enough to comment that "I like it; the store is different than anything I've been in in Chicago."

Executives for K mart Corp., no doubt, are banking on the same positive reactions from other Chicagoans like White coming into the three Builder Square warehouse home centers it opened here on Oct. 18.

These units, and the 11 stores in the Sunbelt it acquired through its $90 million merger with Home Centers of America (HCOA) earlier this year, form the wholly owned subsidiary that K mart will use to launch its full blown entry into the home center field that is projected to expand to 35 stores by the end of 1985, and conceivably could grow to 100 units in three years.

"We have a 'can't miss' formula of low prices, lots of merchandise and strong service that positions Builders Square for unlimited growth," said K mart's chairman Bernard Fauber to a gathering of reporters and other visitors to Builders Square's 90,000-sq.-ft. Niles, Ill., unit the day before the opening.

Even the problems of the store's generator malfunctioning an hour before the opening ceremonies could not dampen his enthusiasm, as Fauber told the crowd that "We believe we

(Continued on page 49)

K mart chairman Bernard Fauber at grand opening of new Builders Square in Niles, Ill.: "We will very quickly be the largest operator of these type units in the United States." NHCN photo

PERGAMENT READIES 5th WAREHOUSE UNIT

Chain speeds large-store growth with 4 new warehouses in 1985

By Donald Longo
NHCN managing editor

WOODMERE, N.Y. — Pergament Home Centers will soon open its fifth warehouse-style store when it moves into a 70,000-sq.-ft. building here. The 40-store chain plans to open four new warehouse stores, ranging in size from 50,000 sq. ft. to 70,000 sq. ft., in Long Island and upstate New York by early next year.

In addition, the chain plans to enlarge its 2-year-old, 38,000-sq.-ft. Staten Island store to 50,000-sq.-ft. by the end of this year and to expand its smaller, 6-year-old Baldwin, Long Island, unit to 35,000 sq. ft. in early 1985.

According to Murray Pergament, part owner of the Melville, Long Island-based chain, this expansion represents the company's continuing movement toward larger size stores. He said the new outlets will open in Patchogue (70,000 sq. ft.), Port Jefferson (60,000 sq. ft.) and Riverhead (50,000 sq. ft.), Long Island, and in Peekskill (50,000 sq. ft.), New York.

The new Woodmere store, located in a totally rebuilt former Playworld outlet, will replace a traditional-style, 16,000-sq.-ft. Pergament Home Center situated in the same shopping center on Rockaway Boulevard at the New York City-Nassau County border.

Pergament, with stores in New York, New Jersey and Connecticut, opened its first warehouse home center late last year when it converted its Bethpage, Long Island, outlet to the now-popular format. Murray Pergament, whose chain generated an estimated $160 million in sales last year, indicated the new Woodmere site duplicates merchandising and display concepts established at the Bethpage store.

In mid-October, the unit was still under construction and no opening date had been set, al-

(Continued on page 50)

$400M DEBT PAYMENT DUE

Evans splits Retail Group into separate companies

By John Caulfield
NHCN senior editor

MIAMI — Evans Products has officially broken up its Retail Group into three subsidiaries, a move that one company executive thought "could put Evans into the position of moving the Retail Group out of the company in a more formalized way."

On Sept. 28, "Grossman's Inc." was born, bringing together into a single entity Evans' Grossman's, Moore's, Grossman's West, Alamo and Hubbard & Johnson chains that collectively operate more than 300 stores and accounted for about 85% of the $928 million in sales generated by the Retail Group in fiscal 1983. The subsidiary will be based in Braintree, Mass.

The 44-unit Lindsley chain, based in Miami, which Evans acquired in 1979, will remain as another subsidiary, as will the three-store Steel City in Pittsburgh.

Evans Products has been saddled with declining sales and enormous debt for the past several years, and it has

(Continued on page 4)

NEWSBREAKS

BUSY BEAVER SPLIT. Busy Beaver, Pittsburgh, has agreed in principle to sell its 14 lumberyards to Jack Fagen, who has left his post as president of the former 24-unit chain. He has been replaced by executive vp Charles C. Bender, who will head the remaining 10 home centers.

COURTESY DIGS IN. Courtesy Home Centers finalized the purchase of a 10-acre site on the south side of Chicago early last month. It plans to build a 90,000-sq.-ft. store to open late 1985.

COLOR TILE EXPANDS INTO CANADA. Color Tile, the 639-store specialty retailer of floor coverings and wall covers based in Fort Worth, Tex., has paid $27 million for Color Your World, a Toronto-based retailer and operator of 130 retail stores in Canada and 22 stores in the United States.

INSIDE:

HOUSING STARTS made unexpected comeback in September ..... **Page 2**
BUILDERS EMPORIUM management exodus continued with resignation of merchandise manager Mike Gayler **3**

NHCNews Briefs

Industry Update

Lowe's to open 54,000-sq.-ft. unit

NORTH WILKESBORO, N.C. — Lowe's new, 54,000-sq.-ft. "super-prototype," scheduled to be opened this month in the Louisville suburb of St. Matthews, will not only be the largest Lowe's to date, it will be the first to use warehouse racking on the sales floor.

The center of the store will resemble the current Lowe's prototype, with shopping areas coming off a race track loop. Surrounding that core on three sides, however, will be merchandise on warehouse racks.

Essentially, Lowe's is removing walls that in current retrofitted stores separate the sales area of the unit from the backroom. While noting that the Louisville store will have a "warehouse look," Lowe's officials emphasized that it will not be a warehouse store.

It will be an experimental store of a size and layout Lowe's could turn to in entering large markets. For filling in its existing, smaller markets, however, 30,000 sq. ft. will be the optimal Lowe's store size.

The 242-store company is expected to complete a $40 million private placement of long-term debt later this year or in early 1985 to fund its expansion plans.

Grace scraps Loading Dock

BREA, Calif. — W. R. Grace has abandoned plans to open two Loading Dock warehouse home centers in the southern California cities of Claremont and Riverside early next year. The Monrovia, Calif.-based Loading Dock division, under development by an Ole's Home Centers management team headed by Bob Stutz prior to the Ole's-Grace merger in July, was disbanded Oct. 12.

An Angels Home Center in Riverside formerly slated to be retrofitted into a Loading Dock and a site in Claremont earmarked as a Loading Dock build-to-suit will now both become Ole's, according to John Markley, president of the Grace western home center division. Markley said it had not been determined whether the Loading Dock staff will be integrated into the Grace organization.

Westlake acquires independent

HUTCHINSON, Kan. — As part of its continuing expansion drive, Westlake Hardware Supply acquired a well established, two-unit hardware independent here on Oct. 5 for an undisclosed price. The acquisition brings Westlakes store total to 28.

Now that this Moberly, Mo.-based chain has taken over Reno's Ace Hardware from its former owners, Dick and Florence Langenwalter, it is faced with the challenge of maintaining and expanding an already successful local business.

Reno's has some merchandising techniques that are new to Westlake, and to many of the nation's hardware stores.

For instance, the 16,000-sq.-ft. store in north Hutchinson carries a large sporting goods department with over 10,000 stock keeping units in soft lines and hard lines. It also carries a large giftware and housewares department.

Another new area for Westlake is Reno's extensive warranty repair department. There are two full-time mechanics who repair warrantied merchandise as well as give more familiar services such as screen window replacements and lawn mower repairs.

These departments, and all the staff formerly employed by the Langenwalters, are being kept on, but Westlake executives plan to increase the number of sku's in some areas.

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Vol. 10, No. 23 Nov. 5, 1984

Hechinger's 1st warehouse store follows penchant for neatness

By Kenneth Schept
NHCN executive editor

RALEIGH, N.C. — In many ways the first Hechinger warehouse store, which opened here last month, resembles the outlets of that type that preceded it.

Customers enter through a channel of lighting fixtures, ceiling fans and electricals to reach the rest of the store where merchandise is available on warehouse racks.

In other ways, however, the presentation remains more typical of Hechinger, which in its other 43 units built a reputation for attention to detail and department-store-like housekeeping.

Consequently, missing from this warehouse interpretation is the bulk stacking of products on the floor or pallets that has come to characterize the intentional disordered look of warehouse merchandising.

Except for ceiling fan inventory, which is stacked under the hanging fans, merchandise is on racks, not in the aisles. Philip Mansfield, executive vp, explained that the fixtures simply provide a more efficient use of vertical space.

"You know us," he joked. "It didn't look neat."

As always, what appears to be Hechinger's obsessive concern with order in its stores is a strategic device to appeal to a certain, urban—and often female—consumer. In addition, Mansfield noted, the level of control that produces this environment also reduces markdowns and shortages.

"I walked down the aisle and saw paint cans missing," said Mansfield in describing a tour through the Raleigh store on opening day, Oct. 13. "An hour later it had all been fronted. A bit of the company discipline."

Subtle attention to detail is also reflected in fixture heights. The Raleigh store is wide but shallow. Customers enter on the extreme right, go about 50 ft. through the electricals channel and then turn left onto a 14-ft.-wide "drag strip" aisle that runs the width of the store.

Merchandise is on warehouse H-frame fixtures to the left and right with plumbing coming first and lumber and building materials arrayed at the far end. The racks to the left, toward the front of the store, are 8 ft. high, while the racks to the right are 12 ft.

"We pay a little more attention to the operation of a store," said Mansfield. "We don't just put fixtures in a store, throw stuff on shelves and say let's go."

Attention also went into the size of the aisles, he said, noting that they were wide to avoid the "canyon look."

Additionally, unlike most other home center warehouse stores, all merchandise is not kept on the sales floor. Again, because of the Hechinger approach to retailing, a bilevel stockroom contains inventory that the company feels should be kept away from public view, such as merchandise for future ads.

While the Hechinger approach is apparent, there are changes. Gone is "Hechinger blue," the cool shade that domi-

(Continued on page 50)

Sutherland Lumber unveils new retail credit program

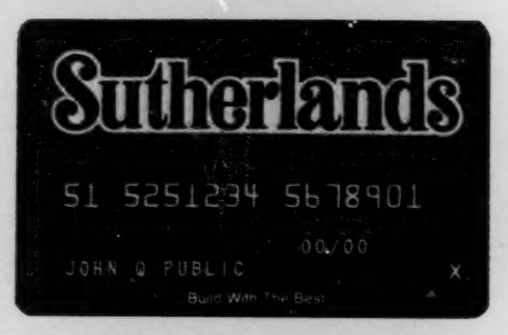
KANSAS CITY, Mo. — Since mid-September, Sutherland Lumber's customers have been able to buy merchandise in the chain's 82 stores using the company's credit card.

The bright red card has "Sutherlands" and the logo "build with the best" printed in red and white on it, and is issued by the United Missouri Bank of Kansas City.

It is available to retail and contractor customers alike, according to Craig Sutherland, part owner of the chain. The chain began advertising the card in its regular print ads in early September.

No fee is charged for carrying the card, and, if the customer pays the full balance of his charge card shopping spree within 25 days of the billing date, there is no finance charge.

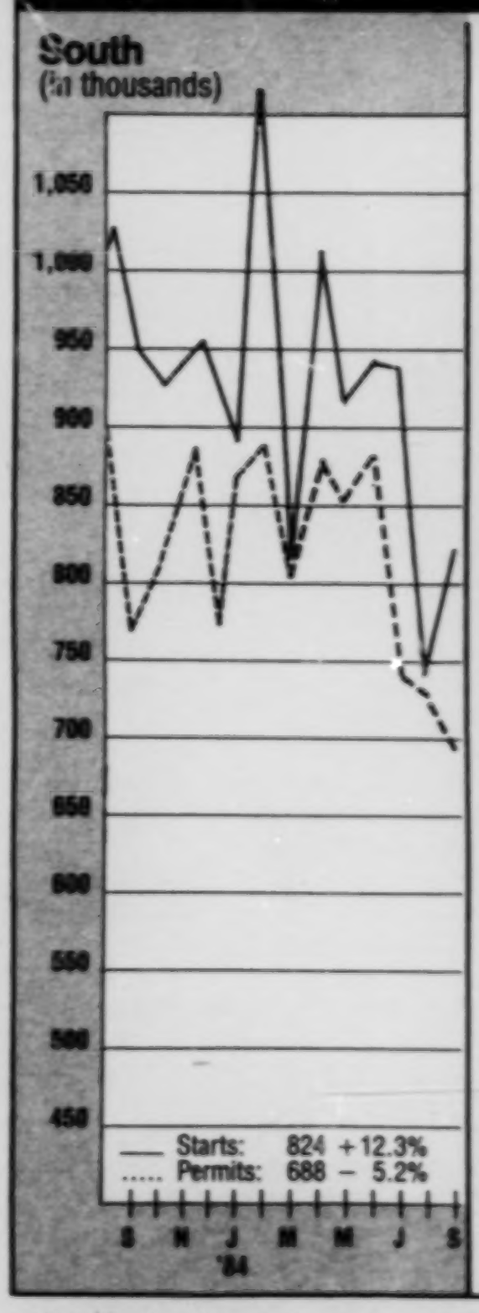
No interest is charged on new purchases until after 25 days from the billing date.

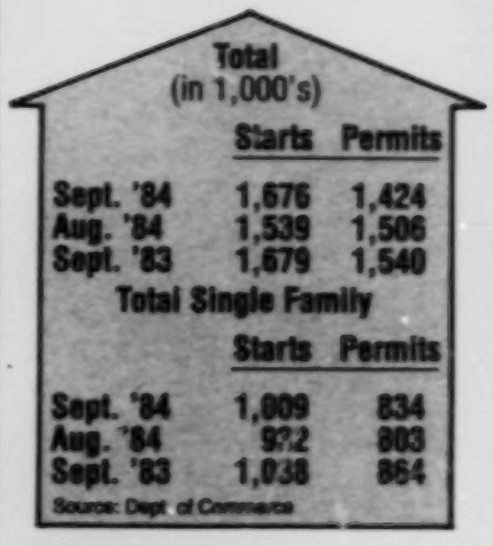


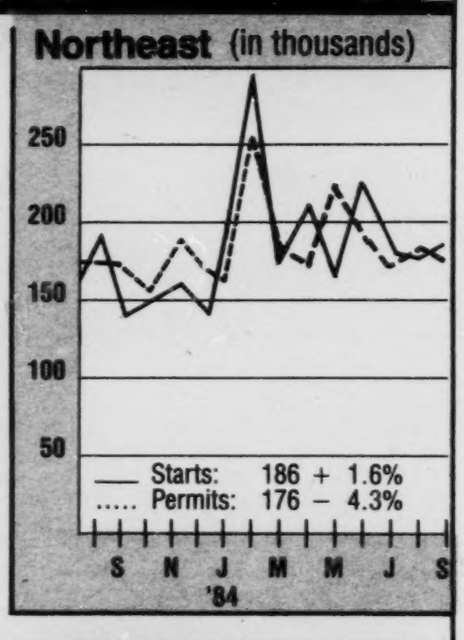
Sutherland Lumber has introduced its own credit card which can be used by customers at all Sutherland stores, as well as the HouseMart Warehouses and Crate Deals hardware store the company operates.

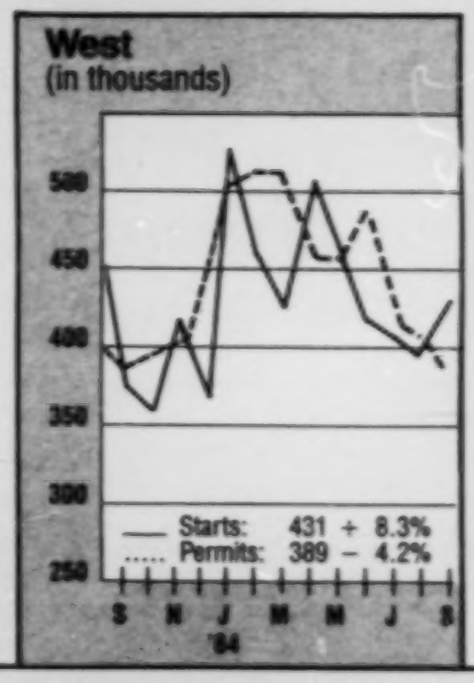
Customer applications for the card are mailed to, and processed by, the United Missouri Bank of Kansas City, which sends monthly statements to each account.

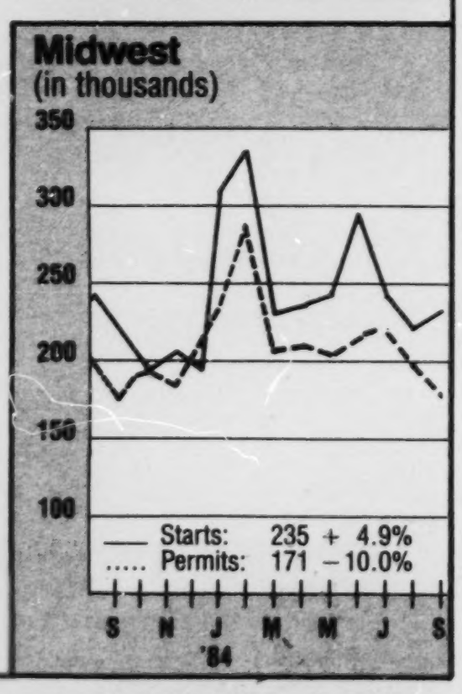
September home-building activity











September's total housing starts rebounded to 1.67 million units, seasonally adjusted, up 8.9% from August due to a slight easing of mortgage rates. Single-family starts rose by 8.3% to 1 million units, seasonally adjusted, but remain nearly 3% below last year's September figures. The South recorded the largest increase in starts, up 12.3% to 824,000 units, seasonally adjusted, but again, that figure is 12% below September 1983 starts.

Total building permits fell by 5.4% to 1.42 million units, seasonally adjusted, and all regions recorded decreases over August's figures. However, single-family permits remained strong, up 3.5% over August.

SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Lowe's	9/30-1 mo.	$ 135,300	$ 113,400	19.0	—	—	—
Pay 'n Save	7/28-2nd qtr.	342,217	301,469	13.5	$ 3,077	$ 8,480	(63.7)
W. R. Grace	9/30-3rd qtr.	1,658,317	1,506,965	10.0	33,108	28,113	17.8
	9/30-9 mos.	4,897,048	4,466,722	9.6	136,504	101,728	34.2

*$ in thousands

Source: Company reports

STOCK PRICES

		As of 10/15	52-week High	52-week Low	P/E Ratio
Boise Cascade (NYSE)		39¼	45	32½	13
Edison Bros. Stores (NYSE) [Handyman, Homer's]		34¼	43⅜	33⅛	8
Evans Products (NYSE) [Alamo Ent., Grossman's, Moore's, Hubbard & Johnson, Lindsley]		4⅞	13¾	4¾	21
Forest City (AMEX)	A	20⅜	21	13⅝	—
	B	20⅛	22⅜	13	—
W. R. Grace (NYSE) [Angels, Cashway, Channel, Handy City, Handy Dan, Orchard]		42¼	48⅝	36½	11
Home Depot (NYSE)		13⅝	28¾	12	27
K mart (NYSE)		35	39¼	26¾	9
Lowe's (NYSE)		21⅞	25	16¼	14
Michigan General (AMEX) [Diamond Lumber]		7⅛	14	4⅝	71
Pay 'N Pak (NYSE)		15⅝	20	12¾	13
Payless Cashways (NYSE) [Furrow]		15⅛	27	13½	12
Scotty's (NYSE)		13⅞	16⅜	11⅜	10
Southwest Forest Industries (NYSE) [Knox Lumber]		17¾	22½	12¼	—
Standard Brands Paint (NYSE)		18¾	24¼	16½	10

Nasdaq—over-the-counter stocks

		As of 10/15	52-week High	52-week Low	P/E Ratio
Color Tile		16⅜	18¼	15⅝	—
Hechinger	A	18½	24¼	13½	—
	B	18¾	24½	14	—
Homecrafters Warehouse		8	17½	7½	—
National Lumber		5½	12¼	5¼	—
Pay 'n Save		23⅜	29¼	14⅜	—

Over-the-counter stocks

	As of 10/15 Bid	As of 10/15 Asked	52-week High (Bid)	52-week Low (Bid)
Erb Lumber	19	—	25¼	17
Hines Lumber	43¼	44	44½	27½
Scotts Seaboard [Scott's]	1⅞	2⅛	4	1¾
Wolohan Lumber	5⅜	5⅝	6⅞	4

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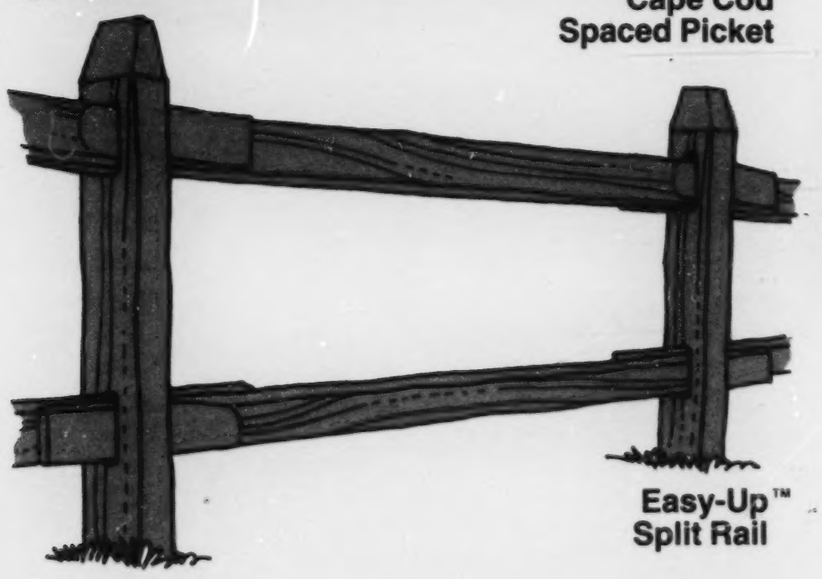

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FINANCIAL NEWS

Pay 'n Save net earnings fall 64% despite 14% sales gain in 2nd qtr.

SEATTLE — Although Pay 'n Save rang up a 14% increase in sales for its second quarter, which ended July 28, the company saw a substantial 64% drop in net earnings.

Quarterly sales totaled $342,217,000 compared to $301,469,000 for last year. But 1984's second-quarter earnings were $3,077,000 as opposed to earnings of $8,480,000 for 1983's second quarter. Comparative per share earnings were 20¢ for the current second quarter vs. 58¢ a year ago.

Vice chairman Calvin Hendricks blamed Pay 'n Save's poor showing on lower than anticipated sales and comparative gross margins, particularly in the home center division. Despite the disappointing results, announced expansion plans for the remainder of the fiscal year include another Ernst.

Pay 'n Save's earnings downturn also reflects one-time expenses incurred in the sale of six unprofitable Pay 'n Save drug stores in California and the closing of two others, one in California and the other in Hawaii. Hendricks also said the second quarter's earnings were negatively impacted by start-up costs for Price Savers Membership Warehouse and Northwestern Drug Company. In May, Price Savers' second warehouse opened in Fife, Wash.

Forest City Dillon files with S.E.C. for new stock offering

CLEVELAND — Forest City Dillon Inc., a wholly owned subsidiary of Forest City Enterprises Inc., has filed an SEC registration statement for an offering to shareholders of both Class A and Class B stock of Forest City Enterprises. The offering will be for interests in two limited partnerships formed for the purpose of owning certain real estate now owned by Forest City Dillon. Shareholders will be entitled to invest in either or both partnerships, generally in proportion to the amount of shares they own.

One partnership, for $3,338,160, will acquire a 99% interest in three subsidized housing projects in California. The other partnership, for $4,609,840, will acquire a 50% interest in the Mellett Mall Shopping Center in Canton, Ohio. Forest City Dillon will retain the remaining 50% interest in this shopping center.

Palmer Lewis sales rise 20% in 2nd qtr., net income declines

AUBURN, Wash. — Building material distributor Palmer G. Lewis Co. has reported second-quarter sales of $40,329,367 for the three months ended July 25. That's a 20% increase over last year's same period figure of $33,536,131. Although sales were up, bolstered by PGL's May acquisition of Sea-Pac, net income declined 10%. This year's figure of $497,022 compares with $554,377 one year ago. Earnings per share of 15¢ declined 25% from last year's 20¢ per share.

The reasons why

Chairman Robert Peterson attributed the earnings decline to a combination of poor sales, inventory losses and higher expenses. Second-quarter sales in the Alaska division declined 21%, while falling prices in lumber and plywood reduced gross margins. In addition, the bulk of the noncapitalized expenses associated with the Sea-Pac and G. H. Foster acquisitions were absorbed in the second quarter.

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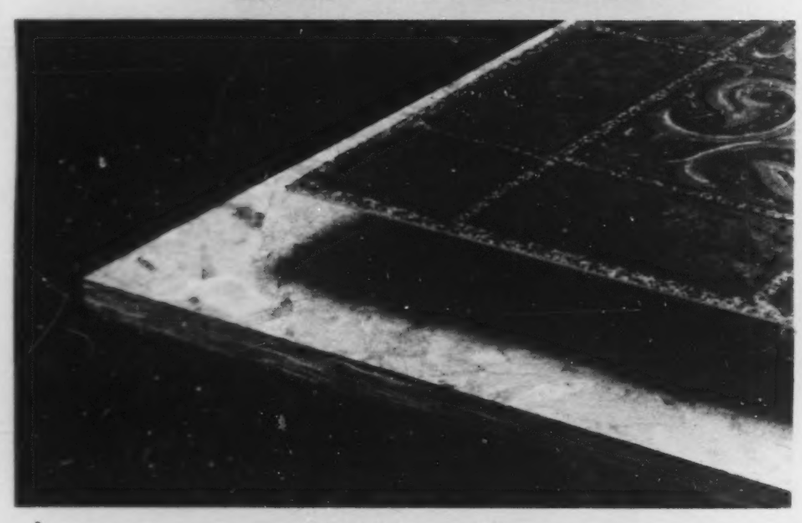

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LUMBER REPORT

Free market will be final arbiter in wood supply/demand equation

By Hawk Furman
Special to NHCN

Deflation in lumber prices should continue as long as production continues at current levels. Production is far surpassing current and anticipated demand. The mills are all aware of the problem of overproduction, but each wants the "other guy" to curtail production. The "other guy" is not curtailing and it will be just a matter of time until the free market forces those in a weak financial position to go out of business. Until this happens do not look for much upward movement in wood product prices.

'The lumber producers are under siege and changes will be forced by the marketplace unless these manufacturers can balance production with anticipated demand.'
—Hawk Furman

Production surging ahead

Congress appears close to helping the United States West Coast lumber producers out of their high priced timber contracts by allowing a buyout of up to 55% of the stumpage under contract. The cost of the buyout will vary for each mill, but should average around $35 to $50 per thousand board feet. This is not too bad considering that coastal Douglas Fir stumpage was bid at $400 per thousand board feet in 1979 and today is bid at $161 per thousand board feet. This legislation will certainly be good news to the mills but only adds to the deflationary pressure on lumber prices.

There may be more production then reported. The Southern Pine production figures for 1983 have been revised upward from 6.6 billion board feet to 9.9 billion board feet.

Canadian s-p-f manufacturers are beginning to stock inventory again. They may see some magic solution to oversupply. If not, they are headed for double trouble with inventory carrying costs and a lessening return on their product when they are forced to sell their inventory for cash flow.

The mills' position is best summed up by Gerard Griffin, director of corporate communications at Louisiana-Pacific. He said in a speech before the Western Business Outlook Conference, "In a nutshell, all the industry is doing is turning over dollars for the benefit of the consumer . . . to the detriment of employees and stockholders."

Demand

Demand for lumber and panelboard products remains excellent as housing and the renovation markets continue to prosper. There is a lessening of demand from spring levels due to higher interest rates and seasonality. According to the Western Wood Products Association, the volume of lumber for housing starts is expected to dip in 1985 and will not recover its 1984 volume until 1987.

The National Council of Remodelers of the National Association of Home Builders reports remodeling spending at $55 billion in 1984, up from $49.3 billion in 1983. New markets are being developed for wood products through aggressive and innovative programs developed by producer associations like the Western Wood Products Association, American Plywood Association and the Southern Forest Products Association. These programs will increase demand in the future but programs like these take time to develop.

Interest rates

There does not appear to be any magic in interest rates; they are basically going nowhere. There are two camps of thought equally balanced on both sides, with one predicting higher rates and the other predicting lower rates. They both have good arguments. Mortgage rates (fixed) are at 14.2%, up from 13.65% at the same time in 1983. J. Timothy Howard, chief economist of the Federal National Mortgage Association, recently stated, "Unless the economy stumbles or doesn't borrow back in the fourth quarter, I wouldn't expect to see market rates go lower.

Industry changes coming

The retailers' dream, today a reality, of an oversupply of wood products and depressed lumber prices during an excellent demand cycle for homebuilding and remodeling cannot last forever. The lumber producers are under siege and changes will be forced by the marketplace unless these manufacturers can balance production with anticipated demand. History has shown this is unlikely to happen. Therefore we will lose producers and see further consolidation. Boise Cascade has 10 mills up for sale and Crown-Zellerbach is selling facilities and so it goes. Today, the 100 largest firms in the lumber industry control two-thirds of the production, which is up from 45% in 1971. Many viable mills today will die a slow death as we correct the supply/demand relationship. Eventually the number of firms producing will be smaller in number and stronger and sanity will return to lumber prices.

Hawk Furman is president, Furman Lumber, Boston.

Merc. Exchange volume balks as traders speculate on Cubs

CHICAGO — The Chicago Mercantile Exchange proved no match for the fervor whipped up by the Cubs' drive for the National League pennant last month. Many traders elected to play hooky, trading bets on Cubs' fortunes instead of commodities futures.

According to *Random Length's*, a lumber and plywood market reporting service publication, "The futures market was very thin, with trading volumes barely reaching half of normal levels. Many brokers and floor traders left the pits to watch the Chicago Cubs' playoff games."

With a strong Cubs' team returning to contend for the pennant, a similar volume slump could take place next year. The question that remains is, will the addition of lights at the Cubs' Wrigley Field, baseballs' last daytime only park, keep traders and brokers in the pits next fall? Only time will tell.

FUTURES

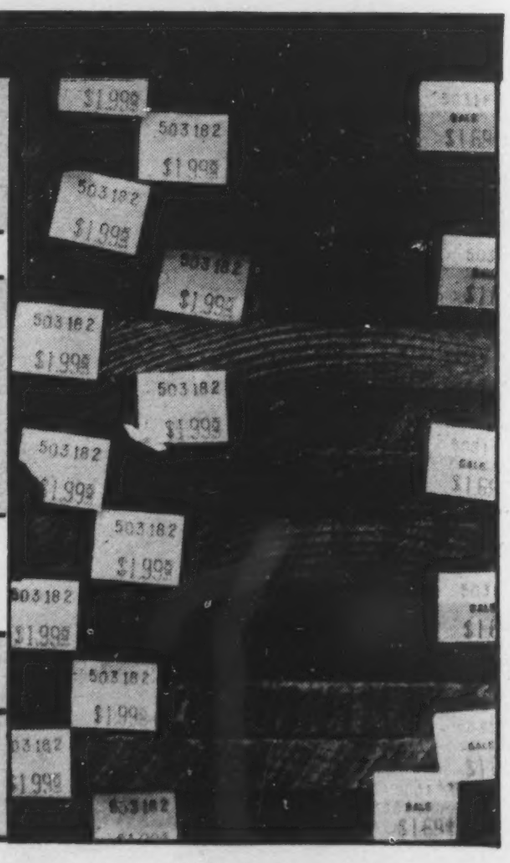
Two weeks ended Oct. 11, 1984

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.							
Nov. '84	129.80	124.00	127.20	126.40	3,312	229.00	120.30
Jan. '85	139.70	134.60	137.80	136.30	2,483	221.30	130.30
March	150.40	145.70	148.10	146.90	1,024	220.40	139.30
May	159.00	154.00	155.80	156.50	292	225.00	147.00
July	166.40	163.00	164.50	164.50	308	230.50	153.00
Sept.	170.30	167.00	168.00	168.40	204	197.50	157.50
Nov.	171.50	169.00	169.00	170.80	88	186.10	167.30

Total Contract Vol. (Through 10/11): 16,008 — Previous Two Weeks: 23,735
Total Open Interest (As of 10/11): 7,733 — Previous Week: 7,720
Cash Price: $131.32 — Previous Week: $136.22 — Year Ago: $167.58

COMMODITY RESEARCH BUREAU INDEX:	This Week	Previous Week	Year Ago
	253.9	253.4	271.1

CME—Chicago Mercantile Exchange
*Figures for Thursday, Oct. 11.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.



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Number of home center, hardware, specialty chains selling the following product lines:

Product	1984	1983	Product	1984	1983
Hardware	5,219	6,036	Seeds, fertilizers, chemicals	524	607
Lumber/millwork	4,935	5,666	Auto replacement parts	359	373
Paneling/plywood	4,813	5,420	Auto access./customizing parts	359	137
Paint	3,996	4,429	Auto electrical	353	242
Wall coverings	3,967	4,193	Sporting goods	348	401
Electrical supplies	3,327	3,657	Home decor	274	258
Lawn & garden supplies	2,508	2,787	Household chemicals	258	198
Floor coverings	2,231	2,538	Bicycles/wheel goods	184	223
Power tools	2,231	2,431	Outdoor power equipment	163	187
Plumbing equipment	2,031	2,051	Auto audio/electronic	161	137
Masonry/siding/insulation	1,986	2,160	Unfinished furniture	128	139
Housewares	1,440	1,631	Pet supplies	116	138
Cabinets/vanities	1,403	1,570	Radio	116	85
Heating equipment	1,044	971	Seasonals	107	127
Auto oil/lubricants/chemicals	967	725	Work clothing	100	126
Fireplaces/stoves	928	1,072	Live nursery	73	78
DIY books	880	944	Stereo	73	51
Auto cleaning prod. & access.	855	647	RV equipment & supplies	71	36
Cooling/air equipment	825	725	TVs	61	23
Auto paints & polishes	788	542	Mechanized farm equip.	59	57
Farm supplies	731	747	Hobbies/crafts	58	52
Barbecue equipment	702	745	Video games	42	41
Lawn furniture	589	NL	Marine equip./supplies	28	32
Small appliances	572	669	Personal computers	9	26
Major appliances	558	602			

NL = not listed

Source: *Chain Store Guide*, 1983 and 1984

Five thousand two hundred and nineteen home center, hardware and specialty chains carried hardware this year, a slight decrease from 1983. Lumber/millwork can be found in 4,935 stores, paneling/plywood in 4,813, paint in 3,996 and wall coverings in 3,967 of these outlets.

4,029 firms own 11,509 home centers; warehouse stores increase: new guide

NEW YORK — An estimated 18 companies operate 104 home center warehouse stores in the United States, according to *Chain Store Guide*, a publisher of retail business directories, in its 1984 "Home Center Operators and Hardware Chains" directory. Last year, the directory listed three firms operating 17 home center warehouses.

In addition, 4,029 companies, with sales of $1 million or more, operate 11,509 traditional-style home improvement outlets and another 1,543 firms, doing at least $1 million in volume and classified as lumber/building material stores, operate 2,525 units.

Chain Store Guide defines a home center as a store engaged in the selling of wood products as well as hardware and/or other household and furnishing items, with a significant percentage of sales to the do-it-yourself consumer.

A lumber/building material outlet is defined as a store with a significant portion of its sales in lumber, but also selling hardware and/or other building materials. The firms sell predominantly to builders.

The home center warehouse is classified as a store similar in product mix to a home center, with a majority of its sales to the DIYer. Store square footage is usually in the 70,000 to 100,000-sq.-ft. range. Compared to a home center, a warehouse store's average turns are higher (five to seven times), the number of stock keeping units greater (25,000 to 40,000 sku's), gross margin lower (25% to 27%) and sales substantially higher ($12 to $15 million annually in a mature outlet).

Overall, the directory lists 6,072 retailers operating 21,503 stores.

The publication identifies 419 hardware chains operating 2,604 stores and 207 paint/home decorating chains operating 4,163 outlets. Also listed are 46 farm and home supply operators with 470 stores and 8 lawn and garden supply chains operating 128 stores. Because many companies operate more than one type of store, the total exceeds the 6,072 retailers listed in the directory.

In addition, the guide lists 23 buying groups that service over 85,000 stores selling home improvement merchandise.

Breaking down the retailers by the number of stores they operate, the directory found 11 companies, with over 200 stores each, that account for 5,971 units. Single-store independent operations total 4,061, while another 2,958 stores are operated by 32 companies that each have between 51 and 200 units.

Of the home center, hardware and specialty paint companies, 5,219 carry hardware, according to the directory, while 4,935 offer lumber and millwork and 4,813 provide paneling and plywood.

Paint can be found in 3,996 companies, wall coverings in 3,967 and electrical supplies in 3,327.

The directory lists 17,989 executives, administrators, merchandisers and buyers. In addition, for the first time, the directory indicates 740 compa-

(Continued on page 44)

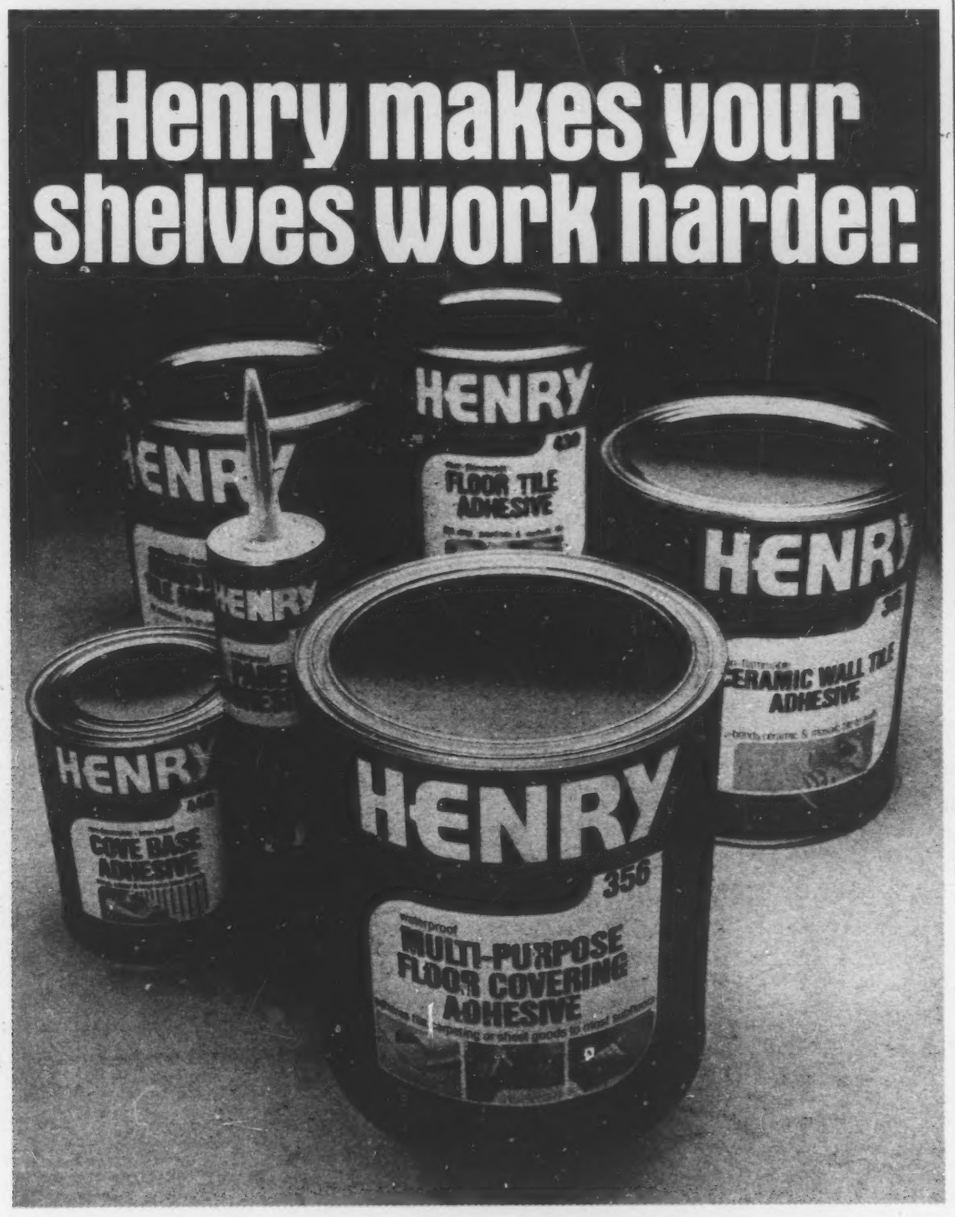
Type of retail company*	No. of companies	No. of stores
Home centers	4,029	11,509
Home center warehouses	18	104
Lumber/building materials	1,543	2,525
Hardware	419	2,604
Specialty paint	207	4,163
Farm & home supply	46	470
Lawn & garden supply	8	128
Total	6,270**	21,503

*Companies must generate sales of at least $1 million
**Because many companies operate more than one type of store, total exceeds the 6,072 companies listed in directory

Source: *Chain Store Guide*, Lebhar-Friedman Inc. 1984

The 1984 Home Center Operators and Hardware Chains directory lists over 6,000 companies operating over 21,500 stores.

Henry makes your shelves work harder.



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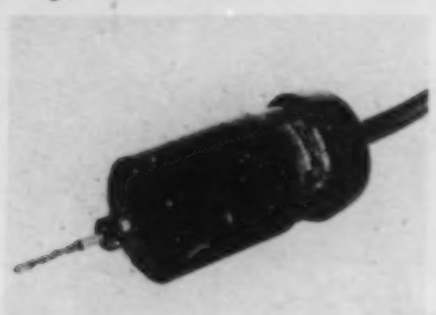
NEW PRODUCTS

Drywall cutout



Porter-Cable's Model 399 Drywall Cutout Unit is designed specifically for making cut-outs for duplex boxes, window openings, and splicing broken drywall. Unit will cut both drywall and paneling, and its 3/16-in. down spiral bit will not tear drywall paper. A compact, lightweight motor makes one-hand control easy. Model has sealed ball bearing construction and is double insulated for added protection.

Available from **Porter-Cable, Jackson, Tenn.** For more information call 901-664-0307.

Inexpensive cut

A new economy model tree pruner and pruning saw from **Snap-Cut, Seymour Smith & Son, Oakville, Conn.**, offers homeowners key performance and design features normally associated with more expensive pruners.

Quality-made in America, the Model 333 telescoping tree pruner features all-fiberglass telescoping poles that easily adjust to any length between 6 ft. and 9 ft.

A multipower dual pulley system, which Snap-Cut originated for higher-priced models, is also included in the Model 333. The unit has up to 1-in. capacity for maximum usage and a 16-in. saw blade for easier cutting of larger limbs.

For additional information call 201-884-2550.

Strong hose

Colorite best quality all-weather garden hose satisfies today's customer demand for value-added products. Heavy-duty characteristics include close-knit tire cord reinforcement, heavy wall construction and excellent burst resistance. Other long-life features are easy coiling in hot or freezing weather, exclusive HozeGard protective collar and heavy-duty octagonal couplings.

Available from **Colorite Plastics, Ridgefield, N.J.**

For more information call 201-884-2550.

Oak seat

A new solid oak toilet seat has been introduced by the **Decor Bathware Division of Franklin Brass, Los Angeles, Calif.**

The seat features golden oak tones compatible with other oak bathroom accessories, also available in the Decor line. It is pre-assembled with solid brass hinges and six plastic bumpers and fits all standard toilet bowls. A durable protective coating preserves the oak and brass.

For additional information call 213-388-2415.

Pegs locks

The versatile peg merchandising system developed by **Schlage Lock, San Francisco,** is being introduced to help retailers get more sku's per square foot and to give merchandise displays a more organized look. Compared to other methods, the new peg merchandising system allows for the display of 20% more product in the same space.

The new peg system can either be used on existing peg boards, or a freestanding L-rack will be supplied by Schlage which allows the retailer to sell locks from anywhere in the store.

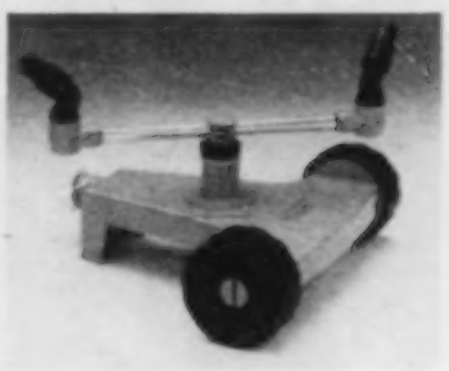
For additional information call 714-545-7950.

Twin jets

Melnor's Model 830 with twin jet nozzles adjusts to watering areas from 5 ft. to 55 ft. in diameter. This versatility enables the user not to waste water in smaller areas and allows the watering of larger areas with the same sprinkler. Saving water means conserving precious natural resources while saving money.

The Model 830 has precision nozzles that adjust from a mist, to medium, to jet stream or will shut off completely.

Available from **Melnor, Moonachie, N.J.** For more information call 201-641-5000.



Without air

The Airless Jackhammer, a new manually operated tool that produces a striking force of up to 5,000 lb. has been introduced by **Sylvax, New York.** It eliminates the need for a compressed air source and does not require a skilled operator for a variety of jobs.

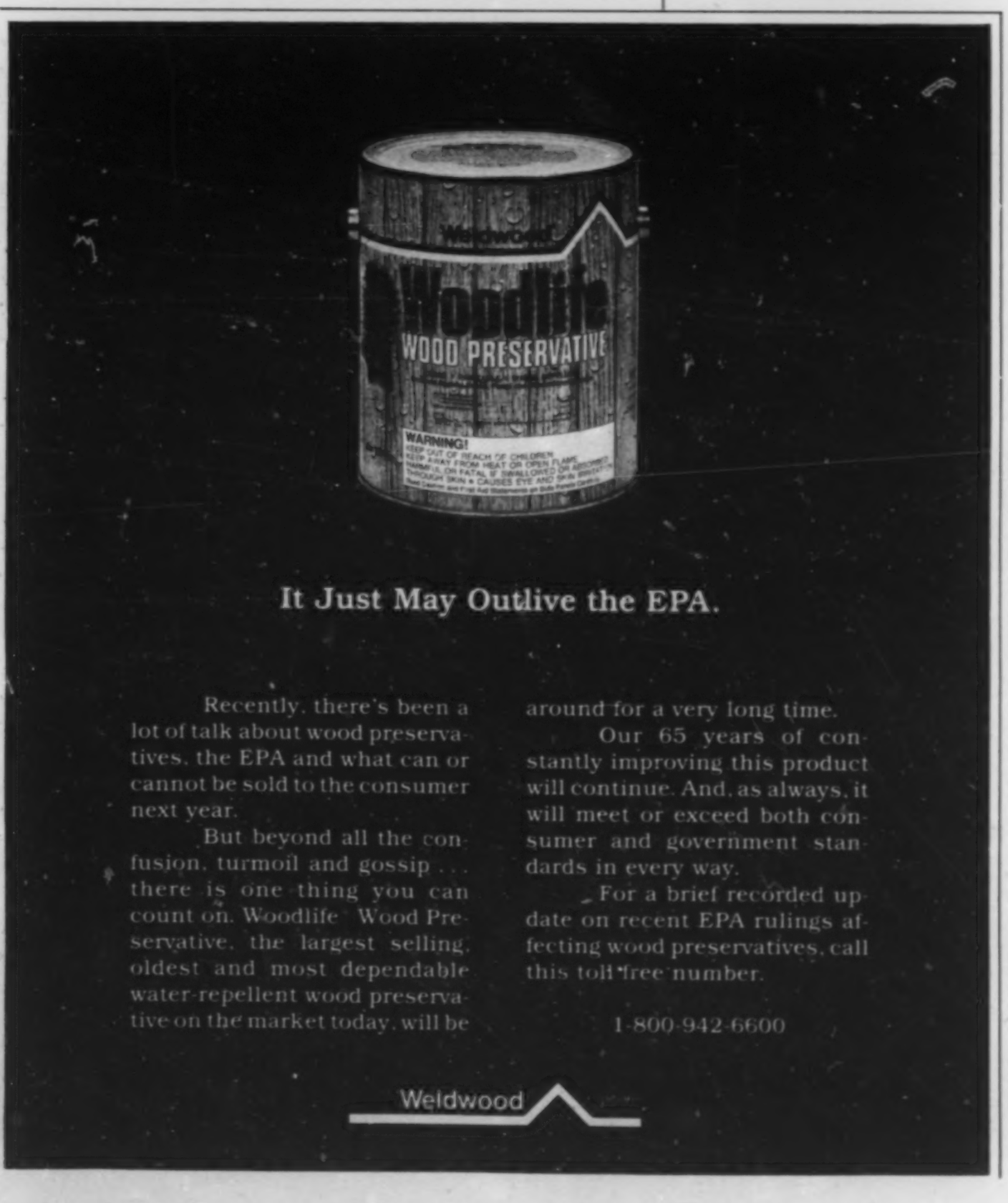
For more information call 212-867-5005.

SELL HARDWOOD BEAUTY AT A PARTICLEBOARD PRICE.

Weyerhaeuser Grain Printed Particleboard Shelving has wood grain imprinted directly onto the board. You can sell up from your raw particleboard shelving line with a good margin. And yet you won't take sales away from other shelving products. Weyerhaeuser Grain Print comes in multi-lengths and widths. It's bull-nosed with filled and printed edges.

Weyerhaeuser

For information, east of the Mississippi River, call 1-912-896-2557; in Georgia, toll-free 1-800-342-3901; or, excluding the Northeast, 1-800-841-3931. West of the Mississippi, call 1-503-884-1450; or toll-free, except Oregon, 1-800-547-1793.



It Just May Outlive the EPA.

Recently, there's been a lot of talk about wood preservatives, the EPA and what can or cannot be sold to the consumer next year.

But beyond all the confusion, turmoil and gossip . . . there is one thing you can count on. Woodlife® Wood Preservative, the largest selling, oldest and most dependable water-repellent wood preservative on the market today, will be around for a very long time.

Our 65 years of constantly improving this product will continue. And, as always, it will meet or exceed both consumer and government standards in every way.

For a brief recorded update on recent EPA rulings affecting wood preservatives, call this toll-free number.

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WRITE FOR LITERATURE

MAZE NAILS
Div. of W. H. Maze Company

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New guide takes census of home center industry

(Continued from page 42)

nies utilizing point-of-sale equipment. The hardware brand name, number of stores with equipment and total number of installations is reported.

The guide reports on companies doing an estimated $39.6 billion in sales—about 75% of an estimated total 1983 industry revenue of $52.8 billion. The directory estimates that single-store independents have 27% of the total home center, hardware and specialty home improvement market, while 201-unit or more companies comprise 17.3% of that market.

Chain Store Guide is a subsidiary of Lebhar-Friedman Inc., which also publishes *National Home Center News*. Its directory is available for $155 by writing *Chain Store Guide*, 425 Park Ave., New York, N.Y. 10022.